

Medicare has paid health maintenance organizations [HMO's] from 6 to 28 percent more than it would have spent had those same beneficiaries remained in the fee-for-service sector.

A national psychiatric hospital chain, charged with fraudulently increasing its reimbursements, in 1994 paid over \$300 million in the largest settlement to the Federal Government for health care fraud.

Fifth, loan program losses are too high.

The Federal Government has become the Nation's largest source of credit. It obligated almost \$23 billion in new direct loans and guaranteed \$204 billion in new non-Federal lending last year. Now, whether you agree with the Government's role as a banker or not, you have to agree that the Government is not doing a good job of minimizing its losses on its loan and guarantees.

The Office of Management and Budget [OMB] has estimated that of the \$241 billion owed the Government for direct loans and claims paid on defaulted guaranteed loans, \$50 billion is delinquent and at risk of loss. GAO's high risk program concentrates on three lending programs:

Farm loan programs have become a continuous source of credit for many borrowers and have had a high rate of loan defaults, resulting in the loss of over \$6 billion of taxpayers' money from 1991 through 1994. In addition, its outstanding loan portfolio still contains nearly \$5 billion in delinquent debt.

Student financial aid programs have been successful in providing money for postsecondary education but have been costly, nearly \$25 billion in losses in the guaranteed student loan program alone with \$2.4 billion in losses just last year.

The Department of Housing and Urban Development [HUD], which ensures some \$400 billion in housing loans, guarantees more than \$400 billion in outstanding securities, and spends \$25 billion a year on housing programs, is at risk because of fundamental management weaknesses.

Sixth, The management of Federal contracts at civilian agencies needs improvement.

Civilian agencies spend tens of billions of dollars per year on contracts, yet they often don't get what they pay for or they reimburse contractors for unallowable or unreasonable costs. According to GAO, at the heart of contracting problems, there is a lack of senior-level management attention. GAO has focused on three contracting areas:

The Department of Energy [DOE] spends about \$15 billion annually through management and operating contracts but has failed to protect the Government's interests. DOE did not require its contractors to prepare auditable financial statements nor did it audit, every 5 years as is required, the net expenditures reports contractors did prepare.

The National Aeronautics and Space Administration [NASA] spends about \$12 billion to \$13 billion each year—90 percent of its funding—on contracts, but with poor oversight. In addition, NASA has traditionally assumed virtually all risks related to contract costs and results. This has led to frequent funding increases, schedule delays, and performance problems on many of NASA's large space projects.

Contract management problems in the multibillion-dollar Environmental Protection Agency [EPA] Superfund hazardous waste cleanup program have provided contractors too little incentive to control costs. A recent review of three contractors showed that all three billed the Government for entertainment, tickets for sporting events, or alcoholic beverage costs that were not allowable. But contractors are probably not too worried about what they bill. As of August 1994, there were 528 unfilled requests for audits of Superfund contractor costs.

These are just the highlights of GAO's new high-risk list. They show what we're up against if we are to achieve real and measurable progress in the battle against Government waste and mismanagement. While this series indicates that with a concerted and committed effort it is possible to correct and rectify program weaknesses—putting less taxpayer dollars at risk—it also reveals what happens when systems are deficient or administrators are less than vigilant, or both.

Only with a continuing and persistent effort can we in Congress, working with the administration and GAO, attack these problems, one by one, case by case. If we are ever to restore people's faith in Government—and its overall credibility—it has to be done, and done quickly. As I have in the past, I will pledge my best efforts with the eventual hope that, one day, there will be no high-risk list at all. I urge my colleagues to work together to accomplish this goal.●

THE CONGRESSIONAL PENSION EQUITY ACT

● Mr. MCCONNELL. Mr. President, I am pleased to become a cosponsor of S. 228, the Congressional Pension Equity Act. I commend Senator BRYAN for his leadership on this issue and I look forward to working with him to reform our pension system and bring it in line with all other Federal civilian pensions.

Like pensions in the private sector, the pension a member of Congress receives is based upon length of service and rate of pay. So, naturally a senior member, or staffer, earns a bigger pension than an individual with just a few years of service. But, under the current system members and staff receive substantially more generous pensions than other Federal employees. This bill will rectify that situation and bring parity between the legislative branch and the executive branch. Those who serve in

Congress should be treated the same as other Federal employees.

For those who claim that people come to Congress and serve too long, this fix should end the careerism charge. Overly generous pensions will no longer entice people to stay in their congressional jobs. Congressional service will be no more desirable than other Federal service, and members and staff will not be deterred from rotating out of Congress.

This bill makes three important changes to congressional pensions. First, it places a cap on retirement benefits. Now, retired members can wind up receiving pensions that are bigger than the salaries they made while in Congress. The bill will ensure that pension benefits do not exceed the highest salary earned while in Congress. Second, it establishes a uniform rate of accrual for all Federal employees, so that congressional employees earn their pension benefits at the same rate as all other Federal employees. And, finally it adjusts the contribution rate for congressional employees to conform to the rate paid by all other employees. Currently, members and staff pay a slightly higher contribution for a much more generous benefit. This bill will require congressional and executive branch employees, including Members of Congress, to pay the same for the same benefit.

Congressional retirement benefits are not an entitlement. We are in the midst of streamlining and cutting back the scope of the Federal Government. We are trying to make the Federal Government more efficient and effective. That's what the American people want and what they deserve. Well, one place to begin is with congressional pensions. This bill represents that effort. I look forward to early consideration of this bill by the Government Affairs Committee and its swift passage by the Senate.●

TRIBUTE TO THE CONCERNED CITIZENS OF BAYONNE

● Mr. LAUTENBERG. Mr. President, I rise today to recognize and pay tribute to the Concerned Citizens of Bayonne [CCB] on the organization's 25th anniversary. I also want to call special attention to the contributions that Mr. Frank Perrucci has made to the organization and the community.

In 1970, Frank and Jean Perrucci, Vinnie Perrucci, Joseph Brache, Sal Covella, Penny Covella, Pete Capitano, John Baccarella, Jean McMahon, and Nicholas Mangelli met at Frank and Jean's home in Bayonne. It was here that they agreed unanimously to form the Concerned Citizens of Bayonne, so that citizens could participate in decisions which affect Bayonne, Hudson County, and New Jersey.

No time was wasted. They immediately became involved in the upgrading of the jury system, led the opposition to the taxation of Social Security

benefits, heightened community awareness on the evils of pornography, and called attention to the location of a toxic waste facility in Newark Bay.

The CCB continuously reaffirms its belief that a strong and vibrant community exists only where its citizens get involved and stay involved. They accomplish this by initiating community efforts to support projects such as building an indoor ice skating rink, keeping parks clean, and supporting programs like Toys for Tots and Pennies for Miss Liberty. They have participated in and led fundraising drives to assist the Bayonne Hospital, the high school football team, Italian earthquake victims, and the starving millions in Ethiopia.

Mr. Frank Perrucci, while carving out his own career as a leader with the Laborers' International Union of North America, always found time for others. He served as an aide to Congressmen Dominick Daniels and Joseph LeFante and is a former director of community development in Bayonne. Over the years, as captain of the Catholic War Veterans color guard, he has travelled extensively throughout New Jersey, participating in veterans events and parades.

Frank, himself a member of the merchant marine and a soldier during WWII, made sure that his organization always remembered to support American military troops during peacetime and war.

During Desert Storm, CCB members regularly corresponded with military personnel overseas, as well as conducted drives to send "goodies" and necessities to those supporting democracy so far from home.

Aside from being the proud husband of Jean, the father of four wonderful children and seven grandchildren, Frank Perrucci is quoted as saying that the proudest part of his life is serving others through the committed, loyal, and hard-working members of the Concerned Citizens of Bayonne.

Therefore, Mr. President, I take special pleasure in standing before you today to thank and congratulate Mr. Frank Perrucci and the members of the Concerned Citizens of Bayonne. They are a special group of people who know what it takes to make a strong community. They have unselfishly committed themselves time after time to keeping Bayonne one of the safest, cleanest, and proudest cities in the United States.●

BISHOP KENNETH POVISH

● Mr. ABRAHAM. Mr. President, I rise today to honor an exemplary individual, Bishop Kenneth Povish. This year Bishop Povish will celebrate his 45th year as a priest, his 25th year as a Bishop and his 20th year as bishop of the diocese of Lansing, MI.

I was lucky enough to grow up in Lansing and attend college in that community. Thus I came to know Bishop Povish as a man who has dedi-

cated his life to serving his community's spiritual needs.

Bishop Povish was born in Alpena, MI. There he attended parochial grammar schools and public high school. After graduating from Detroit Sacred Heart Seminary in 1946, he went on to earn his master's degree in education from the Catholic University of America in 1950. In that same year Bishop Povish was ordained a priest in Saginaw, MI, and began his pastoral duties in Rogers City. In 1952 he became assistant at Saint Hyacinth Catholic Church in Bay City, MI.

Among his many accomplishments, Bishop Povish helped found Saint Paul's Seminary in Saginaw, MI. There he taught Latin, history, and religion and, from 1960 to 1966, served as dean of the college. He then went on to train over 400 lay catechists as diocesan director of the Confraternity of Christian Doctrine. In 1970 Pope Paul VI named him bishop and assigned him to Crookston, MN, until 1975.

Luckily for Lansing, Bishop Povish then was named to current position as bishop of that city. Since then he has enriched the spiritual life of his community in many ways. He established the Bishop's Council on Alcoholism and has written extensively on that subject. He has reached out to the less fortunate and shown his deep faith by teaching others the ways of Jesus Christ.

Mr. President, it is an honor to stand before my colleagues on behalf of the citizens of Michigan to congratulate Bishop Povish on his 45 years of selfless dedication to the Catholic Church and to the Lansing community. May God bless Bishop Povish and allow him to continue his service to those in need of faith, hope, and charity, especially in my hometown of Lansing, MI.●

HONORING ENGINEERS DURING NATIONAL ENGINEERS WEEK

● Mr. D'AMATO. Mr. President, I rise today to honor our Nation's engineers during National Engineers Week. Although we might not realize their presence, engineers have worked tirelessly to improve our world through science and technology.

Without engineers, there would be no transportation. Engineers design cars, trains, and buses, as well as devices that improve them. If not for engineers, we would have no structurally sound buildings, bridges, or highways. And their achievements do not end there.

Engineers create the technology that help doctors diagnose illnesses. Working with the medical profession, they have developed sensitive equipment used in medical research. Options are now available for so many people that would not otherwise be able to lead normal and productive lives.

Transportation, infrastructure, and medicine are just some of the areas influenced by the mastery of the engineer. Engineers' effect on the commu-

nications industry has catapulted us into a new age of technology. Magnetic tape recording, developed by an engineer, is used in audio cassettes, videotape, computer floppy disks, and credit card magnetic strips. We use these items everyday and never even think twice about it, thanks to engineers.

And who is responsible for the progress in the entertainment industry? We are seeing more of the morphing technique in movies and commercials. Animation has become so advanced because of these technological geniuses. This profession has brought us some of the most complex special effects that keep us spellbound during a movie.

For their efforts to improve the world we live in, the engineering profession should be applauded. For their work to improve our future, they should be admired.

That is why, during this National Engineers Week, I am taking the opportunity to thank engineers, in all fields, for their accomplishments.●

IN HONOR OF CHARLIE RODGERS

● Mr. MCCONNELL. Mr. President, it is with great sadness that I rise today to honor an outstanding Kentuckian who recently passed away. Charlie Rodgers of Hopkins County, KY was an outstanding citizen as well as a leader in his profession and community.

Mr. Rodgers gave wholeheartedly to his community. Mr. Rodgers was the retired owner of Hales Furniture Store. During his lifetime he served as president of the Downtown Retail Merchants Association, president of the Rotary Club, chairman of the Salvation Army, and charter member of the Salvation Army Board of Directors. Mr. Rodgers was also the recipient of the Salvation Army's Other Award. He was a member of the Providence Rural Methodist Church and dedicated many hours to religious service.

Mr. Rodgers was actively involved in both local and State level politics. He served as a leader in the development of the Republican Party in his county. Mr. Rodgers served on the State Board of Elections for two 4-year terms, and was as member of the State Republican Party for 20 years. Although he had always shown an interest in politics, he never sought election to public office until 1993 when he ran for the third district magistrate seat. He won this election upsetting a long time democratic stronghold.

While we all admire Mr. Rodgers' success in serving his community, church, and the Republican Party to the best of his ability, I believe that Charlie Rodgers was even more prosperous as an individual. All who encountered him knew that they were dealing with a true Kentucky gentleman. He was looked upon as a very honest, kind, and compassionate man.

Charlie Rodgers, and his wife Peggy, are both long-time friends of mine. Mr.